

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

PA. 1187

1
Ag 84 Pro
Cap. 2

Irrigation and Drainage Association Loans



FARMERS HOME
ADMINISTRATION
Program Aid No. 1187

A Rural Credit Agency of the
U.S. DEPARTMENT
OF AGRICULTURE

Irrigation and Drainage Association Loans

The Farmers Home Administration (FmHA) makes loans to associations to promote the development, conservation, and best use of water and land resources. This includes the prevention of soil erosion and stream pollution and the provision of needed services and facilities through associations for the largest number of farmers and other rural residents in a given area and within prevailing economic and physical limitations.

How may loan funds be used?

Drainage facilities—Install or improve drainage facilities in farm areas for sustained agricultural production.

Soil and water conservation and use measures—Install and improve soil conservation, water control, and pollution abatement control facilities such as dikes, terraces, ditches, stream channels, and other special treatment and stabilization measures.

Irrigation facilities—Install, rehabilitate, or enlarge irrigation facilities including storage reservoirs, dams, wells, pumping plants, canals, and pipelines.

Forestry equipment and services—Purchase or rent basic special purpose equipment, facilities, certain land or land rights, and supplies needed for the establishment, improvement, protection, and harvesting of timber on a sustained yield basis.

Who may borrow?

A legally organized association of farmers and other rural residents may borrow funds. Such organizations

may include a drainage district, irrigation company or district, canal company, or conservation district. The association must be organized under State law and have the authority to carry out loan proposals. It also must be without sufficient funds or unable to obtain credit from other sources, and be so managed that it will be able to provide efficient and continuous service. The group must be willing to provide services to anyone qualified within the service area.

What are terms and loan limitations?

Repayment of loans is not to exceed 40 years, and the interest rate is 5 percent. There is no dollar limitation.

What steps should be taken to form an association?

Farmers and other rural residents who are interested in establishing an association may contact the nearest FmHA county office. The supervisor will provide guidelines for forming the organization.

Where and how are applications made?

Applications for assistance are made at the local county office of the Farmers Home Administration. The county office staff will be glad to discuss services available from the agency and help prepare a written application.

Applications will be considered without regard to race, color, creed, sex, marital status, or national origin of members of the group applying for assistance. Opportunity to develop and use the facilities must also be extended on an equal basis.

What other assistance is available to rural groups?

The agency may also extend financial assistance to rural public and quasi-public organizations and corporations not operated for profit to install or improve water systems and waste disposal facilities, including sewer; develop grazing facilities for livestock; establish recreational facilities, and construct housing for domestic farm labor and rental housing for senior citizens, all primarily serving rural areas.

